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Title of Hearing: Tax Reform Hearing on the Benefits of Permanent Tax Policy for America's Job Creators

Subject: RE: Section 179D Energy Efficient Commercial Buildings Deduction Should Be Included as Part of a Tax Extender Package

Dear House Ways and Means Committee,

We are writing to you today to urge the inclusion of Section 179D, Energy Efficient Commercial Buildings Deduction as part of a Tax Extender Package.

Our Company, Crescent Electric and Supply Company, has been in operation for over 96 years and is privately held. We have Branches in the following locations.

Aberdeen, SD

Albert Lea, MN

Anchorage, AK

Appleton, WI

Arlington, WA

Aurora, IL

Baxter, MN

Bellingham, WA

Billings, MT

Bloomington, IL

Boise, ID

Bozeman, MT

Bronx, NY

Burlington, IA

Butte, MT



- Caldwell, ID
- Casa Grande, AZ
- Casper, WY
- Cedar Rapids, IA
- Cheyenne, WY
- Cincinnati, OH
- Cleveland, OH
- Coeur D'Alene, ID
- Columbia, MO
- Columbus, OH
- Columbus, IN
- Dallas, TX
- Davenport, IA
- Dayton, OH
- De Kalb, IL
- Defiance, OH
- Denver, CO
- Des Moines, IA
- Dubuque, IA
- East Dubuque, IL
- El Paso, TX
- Elk Grove Village, IL
- Elko, NV
- Everett, WA
- Fairbanks, AK
- Fort Collins, CO
- Fort Dodge, IA
- Franklin, IN
- Freeport, IL
- Gillette, WY
- Golden Valley, MN
- Grand Island, NE
- Grand Junction, CO
- Grand Rapids, MI
- Great Falls, MT
- Helena, MT
- Hermiston, OR
- Holland, MI
- Indianapolis, IN
- Iowa City, IA
- Joliet, IL



- Kalispell, MT
- Kansas City, MO
- Kenai, AK
- Kent, WA
- Kirksville, MO
- Lake Fork, ID
- Lakeside, AZ
- Las Cruces, NM
- North, Las Vegas, NV
- Las Vegas, NV
- Lee's Summit, MO
- Lincoln, NE
- Louisville, KY
- Lynnwood, WA
- Madison, WI
- Marshall, MO
- Marshalltown, IA
- Mason City, IA
- Mc Henry, IL
- Meridian, ID
- Middleton, WI
- Milwaukee, WI
- Missoula, MT
- Moses Lake, WA
- Murfreesboro, TN
- Nampa, ID
- Nashville, TN
- Nogales, AZ
- North Platte, NE
- Omaha, NE
- Ontario, ID
- Orem, UT
- Ottumwa, IA
- Peoria, IL
- Phoenix, AZ
- North, Phoenix, AZ
- Pittsburgh, PA
- Portland, OR
- Princeton, IL
- Pullman-Moscow, WA
- Pullman-Moscow, WA



Quincy, IL

Racine, WI

Rapid City, SD

Richland, WA

Rochester, MN

Rockford, IL

Salt Lake City, UT

San Marcos, CA

Sandpoint, ID

Sandpoint, ID

Sandusky, OH

Scottsbluff, NE

North, Seattle, WA

South, Seattle, WA

Sheridan, WY

Sidney, MT

Sierra Vista, AZ

Silver City, NM

Sioux City, IA

Sioux Falls, SD

Spencer, IA

Spokane, WA

St Cloud, MN

St Louis, MO

St Paul, MN

Sterling, IL

Sterling, CO

Storm Lake, IA

Tacoma, WA

Toledo, OH

Totem Lake, WA

Tucson, AZ

Walla Walla, WA

Warrensburg, MO

Warsaw, MO

Wasilla, AK

Waterloo, IA

Watertown, SD

Wausau, WI

Wenatchee, WA

Wisconsin Rapids, WI



Yakima, WA

Yankton, SD

We employ over 1700 employees. 179D has allowed Crescent Electric to grow over the past few years while we distribute electrical products that conserve energy. We have 10 Energy Business Development Managers regionally deployed helping our customers leverage all possible programs to reduce their energy consumption and Green House gasses resulting in a smaller carbon footprint.

As you know, 179D directly supports two national priorities: Job Creation and Energy Independence. 179D was introduced into the tax code with the Energy Policy Act of 2005. It was further extended in 2008, with current expiration set for January 1, 2014. Since the inception of 179D, it has assisted thousands of building owners in retaining jobs and increasing profitability; it has also increased job creation in the trades, where energy efficiency retrofits create large numbers of high paying jobs for a labor pool that was particularly impacted by the economic downturn. At the same time, 179D helps reduce our nation's dependence on foreign oil, thereby increasing America's energy security.

Jobs

Energy efficiency projects require enormous skilled and semi-skilled work forces. By cost-justifying projects, EPAct therefore plays a direct role in supporting a major source of employment in our state.

Lighting retrofits require lighting designers, laborers to remove and dispose existing fixtures, distribution centers to store the new lighting material, laborers to stage the new material near the job site and electricians to install the new fixtures.

HVAC retrofits require engineers for project system design, substantial U.S. manufacturing activity (most HVAC equipment is heavy and made in the U.S.), U.S. steel procurement and HVAC mechanics to install.

The building envelope involves a wide variety of manufactured and workshop materials including roofs, walls, windows, doors, foundations and insulation. In addition to the labor required to create these products, large numbers of roofers, carpenters, installers and laborers are needed to handle the material and incorporate it into a building.

In addition, reduced building expenses allow for the retention of jobs on the building owners' end.

Energy Security

Our nation's goal of becoming energy independent cannot be achieved through domestic oil and natural gas production alone. Energy Efficiency is an untapped natural resource. Commercial



Buildings represent 20% of our nation's energy use. "Drilling" for building energy efficiency is the least costly natural resource we have. For building owners, the upfront cost of retrofitting is expensive, but with utility and government assistance working together with building owners, energy use reductions between 20% and 50% can be obtained.

Commercial building energy efficiency is a critical way by which utilities can meet newly established national guidelines for carbon emission reductions. By improving the cost benefit equation of an energy efficiency retrofit, Section 179D thereby plays an important role in helping utilities comply with national policy while simultaneously reducing the need for the construction of costly new power plants.

Looking Ahead

Today, taxpayers and industry understand how to prospectively use 179D to achieve the greatest possible energy reduction far better than they did eight years ago. This extension will empower our country to realize major energy efficiency gains and will not represent a material cost to Treasury. With the use of dynamic scoring the efficiency gains will increase taxable income over time for commercial building owners, and thereby reducing Treasury's losses from accelerating the depreciation.

Conclusion

Section 179D supports a key investment in the American economy: energy efficiency. Energy efficiency is a force-multiplying investment that saves energy, saves money, and sustains and creates American jobs. Comprehensive energy efficiency upgrades drastically improve the reliability and performance of the nation's building stock, while reducing demand on our energy supply. We strongly support its inclusion as the House Ways and Means Committee contemplates Tax Extenders.

Sincerely,

A handwritten signature in black ink, appearing to read "Laurie Stern".